

**MARYLAND  
HEALTH CARE  
COMMISSION**

**Annual Report on  
Licensed Acute Care Hospital Bed Capacity  
FY 2002**

**July 19, 2001**

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# **Maryland Health Care Commission**

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### **Background**

In October of last year, a new licensing scheme for acute general hospital beds in Maryland was implemented. Mandated by Health-General Article § 19-307.2, this new approach to licensure established a baseline for the licensed capacity of each acute care hospital reflecting their actual utilization. The Department of Health and Mental Hygiene (“Department”) annually calculates the average daily census of each hospital for a 12-month reporting period and licensed bed capacity is established at 140 percent of the hospital’s average daily census. The initial implementation of this new licensing process in October, 2000 resulted in a statewide reduction in licensed hospital bed capacity of 23%, from 12,328 beds to 9,555.<sup>1</sup>

Effective July 1, 2001, the Department established new licensed bed totals for Maryland hospitals based on recorded average daily census for the twelve-month period ending on March 31, 2001. The new licensed capacity figures are shown on the attached Table 1 along with the previous year’s figures.

### **Licensed Acute Care Hospital Beds in Maryland: FY2002**

- The calculation of licensed beds for FY2002 results in a total acute care general hospital bed capacity of 9,791 beds in Maryland. This compares to 9,555 licensed beds for FY2001, the bed total calculated under the initial implementation of the new licensure scheme, adjusted to 9,562 beds later in 2000. (See footnote.) Thus, the overall statewide increase from FY2001 to FY2002 is 229 beds, or 2.4%.
- Most of the 229 bed increase (87%) occurs in Central Maryland, where most (59%) of the State’s acute care beds are located. Baltimore City, in which ten of the total 12 hospitals experienced an increase in licensed bed capacity, accounted for 44% of the statewide increase.
- Four of the State’s five regions saw an increase in average daily census and, thus, an increase in licensed acute care hospital bed capacity from FY2001 to FY2002. Licensed bed capacity declined 1.8% in Western Maryland, where average daily census at four of the region’s six hospitals declined. The Eastern Shore experienced

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<sup>1</sup> The statewide total increased automatically by 7 beds to 9,652 later in 2000 with completion of the replacement of Fallston General Hospital (calculated licensed bed capacity of 113) with Upper Chesapeake Medical Center (authorized bed capacity of 120 beds).

the largest relative increase in bed capacity since last year, 4.9%, followed by Central Maryland at 3.6%. The average increase in the State's two other regions (Montgomery County and Southern Maryland) was less than 1%.

- On a statewide basis, nearly all of the licensed bed increase from FY2001 to FY2002 has occurred in the general medical/surgical service category. (See attached Table 2.) Statewide the net change in licensed bed capacity by major clinical service category was as follows:
  - Medical/Surgical beds increased 256 beds (3.4% increase from the previous year);
  - Obstetric beds declined 25 beds (2.8% decline from the previous year);
  - Pediatric beds declined 8 beds (1.6% decline from the previous year);
  - Acute Psychiatric beds increased 6 beds (0.9% increase from the previous year).

No significant departure from this statewide pattern was observable in any region of the State.

- While total licensed acute care hospital bed capacity increased in this second year of implementation of the new licensure scheme, the overall reductive impact of the new standard for licensure has still been significant. Statewide, there are 2,537 fewer acute care hospital beds licensed in FY2002 than were licensed at the beginning of 2000, a reduction of 21%.

*For more information please call Pamela Barclay or Patricia Cameron at the Maryland Health Care Commission, 410-764-3460, or Renee Webster at the Office of Health Care Quality, 410-402-8000.*